



General Assembly

February Session, 2010

***Raised Bill No. 5507***

LCO No. 2326

\*02326\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

***AN ACT CONCERNING CONSUMER PROTECTIONS IN THE RETAIL  
ELECTRICITY MARKET.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-244c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2010*):

3 (a) (1) On and after January 1, 2000, each electric distribution  
4 company shall make available to all customers in its service area, the  
5 provision of electric generation and distribution services through a  
6 standard offer. Under the standard offer, a customer shall receive  
7 electric services at a rate established by the Department of Public  
8 Utility Control pursuant to subdivision (2) of this subsection. Each  
9 electric distribution company shall provide electric generation services  
10 in accordance with such option to any customer who affirmatively  
11 chooses to receive electric generation services pursuant to the standard  
12 offer or does not or is unable to arrange for or maintain electric  
13 generation services with an electric supplier. The standard offer shall  
14 automatically terminate on January 1, 2004. While providing electric  
15 generation services under the standard offer, an electric distribution  
16 company may provide electric generation services through any of its

17 generation entities or affiliates, provided such entities or affiliates are  
18 licensed pursuant to section 16-245, as amended by this act.

19 (2) Not later than October 1, 1999, the Department of Public Utility  
20 Control shall establish the standard offer for each electric distribution  
21 company, effective January 1, 2000, which shall allocate the costs of  
22 such company among electric transmission and distribution services,  
23 electric generation services, the competitive transition assessment and  
24 the systems benefits charge. The department shall hold a hearing that  
25 shall be conducted as a contested case in accordance with chapter 54 to  
26 establish the standard offer. The standard offer shall provide that the  
27 total rate charged under the standard offer, including electric  
28 transmission and distribution services, the conservation and load  
29 management program charge described in section 16-245m, the  
30 renewable energy investment charge described in section 16-245n,  
31 electric generation services, the competitive transition assessment and  
32 the systems benefits charge shall be at least ten per cent less than the  
33 base rates, as defined in section 16-244a, in effect on December 31,  
34 1996. The standard offer shall be adjusted to the extent of any increase  
35 or decrease in state taxes attributable to sections 12-264 and 12-265 and  
36 any other increase or decrease in state or federal taxes resulting from a  
37 change in state or federal law and shall continue to be adjusted during  
38 such period pursuant to section 16-19b. Notwithstanding the  
39 provisions of section 16-19b, the provisions of said section 16-19b shall  
40 apply to electric distribution companies. The standard offer may be  
41 adjusted, by an increase or decrease, to the extent approved by the  
42 department, in the event that (A) the revenue requirements of the  
43 company are affected as the result of changes in (i) legislative  
44 enactments other than public act 98-28, (ii) administrative  
45 requirements, or (iii) accounting standards occurring after July 1, 1998,  
46 provided such accounting standards are adopted by entities  
47 independent of the company that have authority to issue such  
48 standards, or (B) an electric distribution company incurs extraordinary  
49 and unanticipated expenses required for the provision of safe and  
50 reliable electric service to the extent necessary to provide such service.

51 Savings attributable to a reduction in taxes shall not be shifted between  
52 customer classes.

53 (3) The price reduction provided in subdivision (2) of this  
54 subsection shall not apply to customers who, on or after July 1, 1998,  
55 are purchasing electric services from an electric company or electric  
56 distribution company, as the case may be, under a special contract or  
57 flexible rate tariff, and the company's filed standard offer tariffs shall  
58 reflect that such customers shall not receive the standard offer price  
59 reduction.

60 (b) (1) (A) On and after January 1, 2004, each electric distribution  
61 company shall make available to all customers in its service area, the  
62 provision of electric generation and distribution services through a  
63 transitional standard offer. Under the transitional standard offer, a  
64 customer shall receive electric services at a rate established by the  
65 Department of Public Utility Control pursuant to subdivision (2) of  
66 this subsection. Each electric distribution company shall provide  
67 electric generation services in accordance with such option to any  
68 customer who affirmatively chooses to receive electric generation  
69 services pursuant to the transitional standard offer or does not or is  
70 unable to arrange for or maintain electric generation services with an  
71 electric supplier. The transitional standard offer shall terminate on  
72 December 31, 2006. While providing electric generation services under  
73 the transitional standard offer, an electric distribution company may  
74 provide electric generation services through any of its generation  
75 entities or affiliates, provided such entities or affiliates are licensed  
76 pursuant to section 16-245, as amended by this act.

77 (B) The department shall conduct a proceeding to determine  
78 whether a practical, effective, and cost-effective process exists under  
79 which an electric customer, when initiating electric service, may  
80 receive information regarding selecting electric generating services  
81 from a qualified entity. The department shall complete such  
82 proceeding on or before December 1, 2005, and shall implement the

83 resulting decision on or before March 1, 2006, or on such later date that  
84 the department considers appropriate. An electric distribution  
85 company's costs of participating in the proceeding and implementing  
86 the results of the department's decision shall be recoverable by the  
87 company as generation services costs through an adjustment  
88 mechanism as approved by the department.

89 (2) (A) Not later than December 15, 2003, the Department of Public  
90 Utility Control shall establish the transitional standard offer for each  
91 electric distribution company, effective January 1, 2004.

92 (B) The department shall hold a hearing that shall be conducted as a  
93 contested case in accordance with chapter 54 to establish the  
94 transitional standard offer. The transitional standard offer shall  
95 provide that the total rate charged under the transitional standard  
96 offer, including electric transmission and distribution services, the  
97 conservation and load management program charge described in  
98 section 16-245m, the renewable energy investment charge described in  
99 section 16-245n, electric generation services, the competitive transition  
100 assessment and the systems benefits charge, and excluding federally  
101 mandated congestion costs, shall not exceed the base rates, as defined  
102 in section 16-244a, in effect on December 31, 1996, excluding any rate  
103 reduction ordered by the department on September 26, 2002.

104 (C) (i) Each electric distribution company shall, on or before January  
105 1, 2004, file with the department an application for an amendment of  
106 rates pursuant to section 16-19, which application shall include a four-  
107 year plan for the provision of electric transmission and distribution  
108 services. The department shall conduct a contested case proceeding  
109 pursuant to sections 16-19 and 16-19e to approve, reject or modify the  
110 application and plan. Upon the approval of such plan, as filed or as  
111 modified by the department, the department shall order that such plan  
112 shall establish the electric transmission and distribution services  
113 component of the transitional standard offer.

114 (ii) Notwithstanding the provisions of this subparagraph, an electric

115 distribution company that, on or after September 1, 2002, completed a  
116 proceeding pursuant to sections 16-19 and 16-19e, shall not be required  
117 to file an application for an amendment of rates as required by this  
118 subparagraph. The department shall establish the electric transmission  
119 and distribution services component of the transitional standard offer  
120 for any such company equal to the electric transmission and  
121 distribution services component of the standard offer established  
122 pursuant to subsection (a) of this section in effect on July 1, 2003, for  
123 such company. If such electric distribution company applies to the  
124 department, pursuant to section 16-19, for an amendment of its rates  
125 on or before December 31, 2006, the application of the electric  
126 distribution company shall include a four-year plan.

127 (D) The transitional standard offer (i) shall be adjusted to the extent  
128 of any increase or decrease in state taxes attributable to sections 12-264  
129 and 12-265 and any other increase or decrease in state or federal taxes  
130 resulting from a change in state or federal law, (ii) shall be adjusted to  
131 provide for the cost of contracts under subdivision (2) of subsection (j)  
132 of this section and the administrative costs for the procurement of such  
133 contracts, and (iii) shall continue to be adjusted during such period  
134 pursuant to section 16-19b. Savings attributable to a reduction in taxes  
135 shall not be shifted between customer classes. Notwithstanding the  
136 provisions of section 16-19b, the provisions of section 16-19b shall  
137 apply to electric distribution companies.

138 (E) The transitional standard offer may be adjusted, by an increase  
139 or decrease, to the extent approved by the department, in the event  
140 that (i) the revenue requirements of the company are affected as the  
141 result of changes in (I) legislative enactments other than public act 03-  
142 135 or public act 98-28, (II) administrative requirements, or (III)  
143 accounting standards adopted after July 1, 2003, provided such  
144 accounting standards are adopted by entities that are independent of  
145 the company and have authority to issue such standards, or (ii) an  
146 electric distribution company incurs extraordinary and unanticipated  
147 expenses required for the provision of safe and reliable electric service

148 to the extent necessary to provide such service.

149 (3) The price provided in subdivision (2) of this subsection shall not  
150 apply to customers who, on or after July 1, 2003, purchase electric  
151 services from an electric company or electric distribution company, as  
152 the case may be, under a special contract or flexible rate tariff,  
153 provided the company's filed transitional standard offer tariffs shall  
154 reflect that such customers shall not receive the transitional standard  
155 offer price during the term of said contract or tariff.

156 (4) (A) In addition to its costs received pursuant to subsection (h) of  
157 this section, as compensation for providing transitional standard offer  
158 service, each electric distribution company shall receive an amount  
159 equal to five-tenths of one mill per kilowatt hour. Revenues from such  
160 compensation shall not be included in calculating the electric  
161 distribution company's earnings for purposes of, or in determining  
162 whether its rates are just and reasonable under, sections 16-19, 16-19a  
163 and 16-19e, including an earnings sharing mechanism. In addition,  
164 each electric distribution company may earn compensation for  
165 mitigating the prices of the contracts for the provision of electric  
166 generation services, as provided in subdivision (2) of this subsection.

167 (B) The department shall conduct a contested case proceeding  
168 pursuant to the provisions of chapter 54 to establish an incentive plan  
169 for the procurement of long-term contracts for transitional standard  
170 offer service by an electric distribution company. The incentive plan  
171 shall be based upon a comparison of the actual average firm full  
172 requirements service contract price for electricity obtained by the  
173 electric distribution company compared to the regional average firm  
174 full requirements service contract price for electricity, adjusted for such  
175 variables as the department deems appropriate, including, but not  
176 limited to, differences in locational marginal pricing. If the actual  
177 average firm full requirements service contract price obtained by the  
178 electric distribution company is less than the actual regional average  
179 firm full requirements service contract price for the previous year, the

180 department shall split five-tenths of one mill per kilowatt hour equally  
181 between ratepayers and the company. Revenues from such incentive  
182 plan shall not be included in calculating the electric distribution  
183 company's earnings for purposes of, or in determining whether its  
184 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.  
185 The department may, as it deems necessary, retain a third party entity  
186 with expertise in energy procurement to assist with the development  
187 of such incentive plan.

188 (c) (1) On and after January 1, 2007, each electric distribution  
189 company shall provide electric generation services through standard  
190 service to any customer who (A) does not arrange for or is not  
191 receiving electric generation services from an electric supplier, and (B)  
192 does not use a demand meter or has a maximum demand of less than  
193 five hundred kilowatts.

194 (2) Not later than October 1, 2006, and periodically as required by  
195 subdivision (3) of this subsection, but not more often than every  
196 calendar quarter, the Department of Public Utility Control shall  
197 establish the standard service price for such customers pursuant to  
198 subdivision (3) of this subsection. Each electric distribution company  
199 shall recover the actual net costs of procuring and providing electric  
200 generation services pursuant to this subsection, provided such  
201 company mitigates the costs it incurs for the procurement of electric  
202 generation services for customers who are no longer receiving service  
203 pursuant to this subsection.

204 (3) An electric distribution company providing electric generation  
205 services pursuant to this subsection shall mitigate the variation of the  
206 price of the service offered to its customers by procuring electric  
207 generation services contracts in the manner prescribed in a plan  
208 approved by the department. Such plan shall require the procurement  
209 of a portfolio of service contracts sufficient to meet the projected load  
210 of the electric distribution company. Such plan shall require that the  
211 portfolio of service contracts be procured in an overlapping pattern of

212 fixed periods at such times and in such manner and duration as the  
213 department determines to be most likely to produce just, reasonable  
214 and reasonably stable retail rates while reflecting underlying  
215 wholesale market prices over time. The portfolio of contracts shall be  
216 assembled in such manner as to invite competition; guard against  
217 favoritism, improvidence, extravagance, fraud and corruption; and  
218 secure a reliable electricity supply while avoiding unusual, anomalous  
219 or excessive pricing. The portfolio of contracts procured under such  
220 plan shall be for terms of not less than six months, provided contracts  
221 for shorter periods may be procured under such conditions as the  
222 department shall prescribe to (A) ensure the lowest rates possible for  
223 end-use customers; (B) ensure reliable service under extraordinary  
224 circumstances; and (C) ensure the prudent management of the contract  
225 portfolio. An electric distribution company may receive a bid for an  
226 electric generation services contract from any of its generation entities  
227 or affiliates, provided such generation entity or affiliate submits its bid  
228 the business day preceding the first day on which an unaffiliated  
229 electric supplier may submit its bid and further provided the electric  
230 distribution company and the generation entity or affiliate are in  
231 compliance with the code of conduct established in section 16-244h.

232 (4) The department, in consultation with the Office of Consumer  
233 Counsel, shall retain the services of a third-party entity with expertise  
234 in the area of energy procurement to oversee the initial development of  
235 the request for proposals and the procurement of contracts by an  
236 electric distribution company for the provision of electric generation  
237 services offered pursuant to this subsection. Costs associated with the  
238 retention of such third-party entity shall be included in the cost of  
239 electric generation services that is included in such price.

240 (5) Each bidder for a standard service contract shall submit its bid to  
241 the electric distribution company and the third-party entity who shall  
242 jointly review the bids and submit an overview of all bids together  
243 with a joint recommendation to the department as to the preferred  
244 bidders. The department may, within ten business days of submission



245 of the overview, reject the recommendation regarding preferred  
246 bidders. In the event that the department rejects the preferred bids, the  
247 electric distribution company and the third-party entity shall rebid the  
248 service pursuant to this subdivision.

249 (d) (1) Notwithstanding the provisions of this section regarding the  
250 electric generation services component of the transitional standard  
251 offer or the procurement of electric generation services under standard  
252 service, section 16-244h or 16-245o, the Department of Public Utility  
253 Control may, from time to time, direct an electric distribution company  
254 to offer, through an electric supplier or electric suppliers, before  
255 January 1, 2007, one or more alternative transitional standard offer  
256 options or, on or after January 1, 2007, one or more alternative  
257 standard service options. Such alternative options shall include, but  
258 not be limited to, an option that consists of the provision of electric  
259 generation services that exceed the renewable portfolio standards  
260 established in section 16-245a and may include an option that utilizes  
261 strategies or technologies that reduce the overall consumption of  
262 electricity of the customer.

263 (2) (A) The department shall develop such alternative option or  
264 options in a contested case conducted in accordance with the  
265 provisions of chapter 54. The department shall determine the terms  
266 and conditions of such alternative option or options, including, but not  
267 limited to, (i) the minimum contract terms, including pricing, length  
268 and termination of the contract, and (ii) the minimum percentage of  
269 electricity derived from Class I or Class II renewable energy sources, if  
270 applicable. The electric distribution company shall, under the  
271 supervision of the department, subsequently conduct a bidding  
272 process in order to solicit electric suppliers to provide such alternative  
273 option or options.

274 (B) The department may reject some or all of the bids received  
275 pursuant to the bidding process.

276 (3) The department may require an electric supplier to provide

277 forms of assurance to satisfy the department that the contracts  
278 resulting from the bidding process will be fulfilled.

279 (4) An electric supplier who fails to fulfill its contractual obligations  
280 resulting from this subdivision shall be subject to civil penalties, in  
281 accordance with the provisions of section 16-41, or the suspension or  
282 revocation of such supplier's license or a prohibition on the acceptance  
283 of new customers, following a hearing that is conducted as a contested  
284 case, in accordance with the provisions of chapter 54.

285 (e) (1) On and after January 1, 2007, an electric distribution company  
286 shall serve customers that are not eligible to receive standard service  
287 pursuant to subsection (c) of this section as the supplier of last resort.  
288 This subsection shall not apply to customers purchasing power under  
289 contracts entered into pursuant to section 16-19hh.

290 (2) An electric distribution company shall procure electricity at least  
291 every calendar quarter to provide electric generation services to  
292 customers pursuant to this subsection. The Department of Public  
293 Utility Control shall determine a price for such customers that reflects  
294 the full cost of providing the electricity on a monthly basis. Each  
295 electric distribution company shall recover the actual net costs of  
296 procuring and providing electric generation services pursuant to this  
297 subsection, provided such company mitigates the costs it incurs for the  
298 procurement of electric generation services for customers that are no  
299 longer receiving service pursuant to this subsection.

300 (f) On and after January 1, 2000, and until such time the regional  
301 independent system operator implements procedures for the provision  
302 of back-up power to the satisfaction of the Department of Public Utility  
303 Control, each electric distribution company shall provide electric  
304 generation services to any customer who has entered into a service  
305 contract with an electric supplier that fails to provide electric  
306 generation services for reasons other than the customer's failure to pay  
307 for such services. Between January 1, 2000, and December 31, 2006, an  
308 electric distribution company may procure electric generation services

309 through a competitive bidding process or through any of its generation  
310 entities or affiliates. On and after January 1, 2007, such company shall  
311 procure electric generation services through a competitive bidding  
312 process pursuant to a plan submitted by the electric distribution  
313 company and approved by the department. Such company may  
314 procure electric generation services through any of its generation  
315 entities or affiliates, provided such entity or affiliate is the lowest  
316 qualified bidder and provided further any such entity or affiliate is  
317 licensed pursuant to section 16-245, as amended by this act.

318 (g) An electric distribution company is not required to be licensed  
319 pursuant to section 16-245, as amended by this act, to provide standard  
320 offer electric generation services in accordance with subsection (a) of  
321 this section, transitional standard offer service pursuant to subsection  
322 (b) of this section, standard service pursuant to subsection (c) of this  
323 section, supplier of last resort service pursuant to subsection (e) of this  
324 section or back-up electric generation service pursuant to subsection (f)  
325 of this section.

326 (h) The electric distribution company shall be entitled to recover  
327 reasonable costs incurred as a result of providing standard offer  
328 electric generation services pursuant to the provisions of subsection (a)  
329 of this section, transitional standard offer service pursuant to  
330 subsection (b) of this section, standard service pursuant to subsection  
331 (c) of this section or back-up electric generation service pursuant to  
332 subsection (f) of this section. The provisions of this section and section  
333 16-244a shall satisfy the requirements of section 16-19a until January 1,  
334 2007.

335 (i) The Department of Public Utility Control shall establish, by  
336 regulations adopted pursuant to chapter 54, procedures for when and  
337 how a customer is notified that his electric supplier has defaulted and  
338 of the need for the customer to choose a new electric supplier within a  
339 reasonable period of time.

340 (j) (1) Notwithstanding the provisions of subsection (d) of this

341 section regarding an alternative transitional standard offer option or  
342 an alternative standard service option, an electric distribution  
343 company providing transitional standard offer service, standard  
344 service, supplier of last resort service or back-up electric generation  
345 service in accordance with this section shall contract with its wholesale  
346 suppliers to comply with the renewable portfolio standards. The  
347 Department of Public Utility Control shall annually conduct a  
348 contested case, in accordance with the provisions of chapter 54, in  
349 order to determine whether the electric distribution company's  
350 wholesale suppliers met the renewable portfolio standards during the  
351 preceding year. An electric distribution company shall include a  
352 provision in its contract with each wholesale supplier that requires the  
353 wholesale supplier to pay the electric distribution company an amount  
354 of five and one-half cents per kilowatt hour if the wholesale supplier  
355 fails to comply with the renewable portfolio standards during the  
356 subject annual period. The electric distribution company shall  
357 promptly transfer any payment received from the wholesale supplier  
358 for the failure to meet the renewable portfolio standards to the  
359 Renewable Energy Investment Fund for the development of Class I  
360 renewable energy sources. Any payment made pursuant to this section  
361 shall not be considered revenue or income to the electric distribution  
362 company.

363 (2) Notwithstanding the provisions of subsection (d) of this section  
364 regarding an alternative transitional standard offer option or an  
365 alternative standard service option, an electric distribution company  
366 providing transitional standard offer service, standard service,  
367 supplier of last resort service or back-up electric generation service in  
368 accordance with this section shall, not later than July 1, 2008, file with  
369 the Department of Public Utility Control for its approval one or more  
370 long-term power purchase contracts from Class I renewable energy  
371 source projects that receive funding from the Renewable Energy  
372 Investment Fund and that are not less than one megawatt in size, at a  
373 price that is either, at the determination of the project owner, (A) not  
374 more than the total of the comparable wholesale market price for

375 generation plus five and one-half cents per kilowatt hour, or (B) fifty  
376 per cent of the wholesale market electricity cost at the point at which  
377 transmission lines intersect with each other or interface with the  
378 distribution system, plus the project cost of fuel indexed to natural gas  
379 futures contracts on the New York Mercantile Exchange at the natural  
380 gas pipeline interchange located in Vermillion Parish, Louisiana that  
381 serves as the delivery point for such futures contracts, plus the fuel  
382 delivery charge for transporting fuel to the project, plus five and one-  
383 half cents per kilowatt hour. In its approval of such contracts, the  
384 department shall give preference to purchase contracts from those  
385 projects that would provide a financial benefit to ratepayers or would  
386 enhance the reliability of the electric transmission system of the state.  
387 Such projects shall be located in this state. The owner of a fuel cell  
388 project principally manufactured in this state shall be allocated all  
389 available air emissions credits and tax credits attributable to the project  
390 and no less than fifty per cent of the energy credits in the Class I  
391 renewable energy credits program established in section 16-245a  
392 attributable to the project. On and after October 1, 2007, and until  
393 September 30, 2008, such contracts shall be comprised of not less than a  
394 total, apportioned among each electric distribution company, of one  
395 hundred twenty-five megawatts; and on and after October 1, 2008,  
396 such contracts shall be comprised of not less than a total, apportioned  
397 among each electrical distribution company, of one hundred fifty  
398 megawatts. The cost of such contracts and the administrative costs for  
399 the procurement of such contracts directly incurred shall be eligible for  
400 inclusion in the adjustment to the transitional standard offer as  
401 provided in this section and any subsequent rates for standard service,  
402 provided such contracts are for a period of time sufficient to provide  
403 financing for such projects, but not less than ten years, and are for  
404 projects which began operation on or after July 1, 2003. Except as  
405 provided in this subdivision, the amount from Class I renewable  
406 energy sources contracted under such contracts shall be applied to  
407 reduce the applicable Class I renewable energy source portfolio  
408 standards. For purposes of this subdivision, the department's

409 determination of the comparable wholesale market price for  
410 generation shall be based upon a reasonable estimate. On or before  
411 September 1, 2007, the department, in consultation with the Office of  
412 Consumer Counsel and the Renewable Energy Investments Advisory  
413 Council, shall study the operation of such renewable energy contracts  
414 and report its findings and recommendations to the joint standing  
415 committee of the General Assembly having cognizance of matters  
416 relating to energy.

417 [(k) (1) As used in this section:

418 (A) "Participating electric supplier" means an electric supplier that is  
419 licensed by the department to provide electric service, pursuant to this  
420 subsection, to residential or small commercial customers.

421 (B) "Residential customer" means a customer who is eligible for  
422 standard service and who takes electric distribution-related service  
423 from an electric distribution company pursuant to a residential tariff.

424 (C) "Small commercial customer" means a customer who is eligible  
425 for standard service and who takes electric distribution-related service  
426 from an electric distribution company pursuant to a small commercial  
427 tariff.

428 (D) "Qualifying electric offer" means an offer to provide full  
429 requirements commodity electric service and all other generation-  
430 related service to a residential or small commercial customer at a fixed  
431 price per kilowatt hour for a term of no less than one year.

432 (2) In the manner determined by the department, residential or  
433 small commercial service customers (A) initiating new utility service,  
434 (B) reinitiating service following a change of residence or business  
435 location, (C) making an inquiry regarding their utility rates, or (D)  
436 seeking information regarding energy efficiency shall be offered the  
437 option to learn about their ability to enroll with a participating electric  
438 supplier. Customers expressing an interest to learn about their electric

439 supply options shall be informed of the qualifying electric offers then  
440 available from participating electric suppliers. The electric distribution  
441 companies shall describe then available qualifying electric offers  
442 through a method reviewed and approved by the department. The  
443 information conveyed to customers expressing an interest to learn  
444 about their electric supply options shall include, at a minimum, the  
445 price and term of the available electric supply option. Customers  
446 expressing an interest in a particular qualifying electric offer shall be  
447 immediately transferred to a call center operated by that participating  
448 electric supplier.

449 (3) Not later than September 1, 2007, the department shall establish  
450 terms and conditions under which a participating electric supplier can  
451 be included in the referral program described in subdivision (2) of this  
452 subsection. Such terms shall include, but not be limited to, requiring  
453 participating electrical suppliers to offer time-of-use and real-time use  
454 rates to residential customers.

455 (4) Each calendar quarter, participating electric suppliers shall be  
456 allowed to list qualifying offers to provide electric generation service  
457 to residential and small commercial customers with each customer's  
458 utility bill. The department shall determine the manner such  
459 information is presented in customers' utility bills.

460 (5) Any customer that receives electric generation service from a  
461 participating electric supplier may return to standard service or may  
462 choose another participating electric supplier at any time, including  
463 during the qualifying electric offer, without the imposition of any  
464 additional charges. Any customer that is receiving electric generation  
465 service from an electric distribution company pursuant to standard  
466 service can switch to another participating electric supplier at any time  
467 without the imposition of additional charges.

468 (l) Each electric distribution company shall offer to bill customers on  
469 behalf of participating electric suppliers and to pay such suppliers in a  
470 timely manner the amounts due such suppliers from customers for

471 generation services, less a percentage of such amounts that reflects  
472 uncollectible bills and overdue payments as approved by the  
473 Department of Public Utility Control.

474 (m) On or before July 1, 2007, the Department of Public Utility  
475 Control shall initiate a proceeding to examine whether electric supplier  
476 bills rendered pursuant to section 16-245d and any regulations  
477 adopted thereunder sufficiently enable customers to compare pricing  
478 policies and charges among electric suppliers.]

479 [(n)] (k) Nothing in the provisions of this section shall preclude an  
480 electric distribution company from entering into standard service  
481 supply contracts or standard service supply components with electric  
482 generating facilities.

483 Sec. 2. Subsection (b) of section 16a-47a of the general statutes is  
484 repealed and the following is substituted in lieu thereof (*Effective July*  
485 *1, 2010*):

486 (b) The goals of the campaign established pursuant to subsection (a)  
487 of this section shall include, but not be limited to, educating electric  
488 consumers regarding (1) the benefits of pursuing strategies that  
489 increase energy efficiency, including information on the Connecticut  
490 electric efficiency partner program established pursuant to section 16a-  
491 46e and combined heat and power technologies, and (2) the real-time  
492 energy reports prepared pursuant to section 16a-47d and the real-time  
493 energy alert system prepared pursuant to section 61 of public act 07-  
494 242. [and (3) the option of choosing participating electric suppliers, as  
495 defined in subsection (k) of section 16-244c.]

496 Sec. 3. Subdivision (30) of subsection (a) of section 16-1 of the  
497 general statutes is repealed and the following is substituted in lieu  
498 thereof (*Effective from passage*):

499 (30) "Electric supplier" means any person [, including an electric  
500 aggregator] or participating municipal electric utility that is licensed



501 by the Department of Public Utility Control in accordance with section  
 502 16-245, [that] as amended by this act, and provides electric generation  
 503 services to end use customers in the state using the transmission or  
 504 distribution facilities of an electric distribution company, regardless of  
 505 whether or not such person takes title to such generation services, but  
 506 does not include: (A) A municipal electric utility established under  
 507 chapter 101, other than a participating municipal electric utility; (B) a  
 508 municipal electric energy cooperative established under chapter 101a;  
 509 (C) an electric cooperative established under chapter 597; (D) any other  
 510 electric utility owned, leased, maintained, operated, managed or  
 511 controlled by any unit of local government under any general statute  
 512 or special act; or (E) an electric distribution company in its provision of  
 513 electric generation services in accordance with subsection (a) or, prior  
 514 to January 1, 2004, subsection (c) of section 16-244c, as amended by this  
 515 act.

516 Sec. 4. Subdivision (31) of subsection (a) of section 16-1 of the  
 517 general statutes is repealed and the following is substituted in lieu  
 518 thereof (*Effective from passage*):

519 (31) "Electric aggregator" means [(A) a person, municipality or  
 520 regional water authority that] any person, municipality or regional  
 521 water authority or the Connecticut Resource Recovery Authority, if  
 522 such entity gathers together electric customers for the purpose of  
 523 negotiating the purchase of electric generation services from an electric  
 524 supplier, [or (B) the Connecticut Resources Recovery Authority, if it  
 525 gathers together electric customers for the purpose of negotiating the  
 526 purchase of electric generation services from an electric supplier,]  
 527 provided such [person, municipality or authority] entity is not  
 528 engaged in the purchase or resale of electric generation services, and  
 529 provided further such customers contract for electric generation  
 530 services directly with an electric supplier, and may include an electric  
 531 cooperative established pursuant to chapter 597.

532 Sec. 5. Subsection (a) of section 16-1 of the general statutes is

533 amended by adding subdivision (51) as follows (*Effective from passage*):

534 (NEW) (51) "Electric broker" means any person, municipality or  
535 regional water authority or the Connecticut Resources Recovery  
536 Authority, if such entity arranges or acts as an agent, negotiator or  
537 intermediary in the sale or purchase of electric generation services  
538 between any end-use customer in the state and any electric supplier,  
539 but does not take title to any of the generation services sold, provided  
540 (A) such entity is not engaged in the purchase and resale of electric  
541 generation services, and (B) such customer contracts for electric  
542 generation services directly with an electric supplier, and may include  
543 an electric cooperative established pursuant to chapter 597.

544 Sec. 6. Subsection (l) of section 16-245 of the general statutes is  
545 repealed and the following is substituted in lieu thereof (*Effective from*  
546 *passage*):

547 (l) (1) An electric aggregator or electric broker shall not be subject to  
548 the provisions of subsections (a) to (k), inclusive, of this section.

549 (2) No electric aggregator or electric broker shall arrange or  
550 negotiate a contract for the purchase of electric generation services  
551 from an electric supplier unless such aggregator or electric broker has  
552 [(A)] obtained a certificate of registration from the Department of  
553 Public Utility Control in accordance with this subsection. [, or (B) in the  
554 case of a municipality, regional water authority and the Connecticut  
555 Resources Recovery Authority, registered in accordance with section  
556 16-245b.] An electric aggregator that was licensed pursuant to this  
557 section prior to July 1, 2003, shall receive a certificate of registration on  
558 July 1, 2003. An entity that has been issued an electric supplier license  
559 by the Department of Public Utility Control pursuant to subsections (a)  
560 to (k), inclusive, of this section may act as an electric aggregator or  
561 electric broker without having to obtain a certificate of registration in  
562 accordance with this subsection.

563 (3) An application for a certificate of registration shall be filed with

564 the department, accompanied by a fee as determined by the  
565 department. The application shall contain such information as the  
566 department may deem relevant, including, but not limited to, the  
567 following: (A) The address of the applicant's headquarters and the  
568 articles of incorporation, if applicable, as filed with the state in which  
569 the applicant is incorporated; (B) the address of the applicant's  
570 principal office in the state, if any, or the address of the applicant's  
571 agent for service in the state; (C) the toll-free or in-state telephone  
572 number of the applicant; (D) information about the applicant's  
573 corporate structure, if applicable, including [financial names and  
574 financial statements, as relevant, concerning] names and background  
575 information of corporate affiliates; (E) disclosure of whether the  
576 applicant or any of the applicant's corporate affiliates or officers, if  
577 applicable, have been or are currently under investigation for violation  
578 of any consumer protection law or regulation to which it is subject,  
579 either in this state or in another state. Each registered electric  
580 aggregator or electric broker shall update the information contained in  
581 this subdivision as necessary.

582 (4) Not more than thirty days after receiving an application for a  
583 certificate of registration, the department shall notify the applicant  
584 whether the application is complete or whether the applicant must  
585 submit additional information. The department shall grant or deny the  
586 application for a certificate of registration not more than ninety days  
587 after receiving all information required of an applicant. The  
588 department shall hold a public hearing on an application upon the  
589 request of any interested party.

590 (5) As a condition for maintaining a certificate of registration, the  
591 registered electric aggregator or electric broker shall ensure that, where  
592 applicable, it complies with the National Labor Relations Act and  
593 regulations, if applicable, and it complies with the Connecticut Unfair  
594 Trade Practices Act and applicable regulations.

595 (6) Any registered electric aggregator or electric broker that fails to

596 comply with a registration condition or violates any provision of this  
597 section shall be subject to civil penalties by the Department of Public  
598 Utility Control in accordance with the procedures contained in section  
599 16-41, or the suspension or revocation of such registration, or a  
600 prohibition on accepting new customers following a hearing that is  
601 conducted as a contested case in accordance with the provisions of  
602 chapter 54.

603       Sec. 7. Section 16-245b of the general statutes is repealed and the  
604 following is substituted in lieu thereof (*Effective from passage*):

605       Notwithstanding the provisions of subsection (a) of section 16-245,  
606 the provisions of said section shall not apply to (1) any municipality or  
607 regional water authority that aggregates or brokers the sale of electric  
608 generation services, or to the Connecticut Resources Recovery  
609 Authority if such authority aggregates or brokers the sale of electric  
610 generation services, for end use customers located within the  
611 boundaries of such municipality or regional water authority, (2) any  
612 municipality that joins together with other municipalities to aggregate  
613 or broker the sale of electric generation services for end use customers  
614 located within the boundaries of such municipalities, or (3) any  
615 municipality or regional water authority that aggregates or brokers the  
616 purchase of electric generation services for municipal facilities, street  
617 lighting, boards of education and other publicly-owned facilities  
618 within (A) the municipality for which the municipality is financially  
619 responsible, or (B) the municipalities that are within the authorized  
620 service area of the regional water authority. Any municipality or  
621 regional water authority that aggregates or brokers in accordance with  
622 this section shall register not less than annually with the Department  
623 of Public Utility Control on a form prescribed by the department.

624       Sec. 8. Subsection (b) of section 16-245p of the general statutes is  
625 repealed and the following is substituted in lieu thereof (*Effective from*  
626 *passage*):

627       (b) The Department of Public Utility Control shall maintain and

628 make available to customers upon request, a list of electric aggregators  
 629 and electric brokers and the following information about each electric  
 630 supplier and each electric distribution company providing standard  
 631 service or back-up electric generation service, pursuant to section 16-  
 632 244c, as amended by this act: (1) Rates and charges; (2) applicable  
 633 terms and conditions of a contract for electric generation services; (3)  
 634 the percentage of the total electric output derived from each of the  
 635 categories of energy sources provided in subsection (e) of section 16-  
 636 244d, the total emission rates of nitrogen oxides, sulfur oxides, carbon  
 637 dioxide, carbon monoxide, particulates, heavy metals and other wastes  
 638 the disposal of which is regulated under state or federal law at the  
 639 facilities operated by or under long-term contract to the electric  
 640 supplier or providing electric generation services to an electric  
 641 distribution company providing standard service or back-up electric  
 642 generation service, pursuant to section 16-244c, as amended by this act,  
 643 and the analysis of the environmental characteristics of each such  
 644 category of energy source prepared pursuant to subsection (e) of [said]  
 645 section 16-244d and to the extent such information is unknown, the  
 646 estimated percentage of the total electric output for which such  
 647 information is unknown, along with the word "unknown" for that  
 648 percentage; (4) a record of customer complaints and the disposition of  
 649 each complaint; and (5) any other information the department  
 650 determines will assist customers in making informed decisions when  
 651 choosing an electric supplier. The department shall make available to  
 652 customers the information filed pursuant to subsection (a) of this  
 653 section not later than thirty days after its receipt. The department shall  
 654 put such information in a standard format so that a customer can  
 655 readily understand and compare the services provided by each electric  
 656 supplier.

657 Sec. 9. Subdivision (19) of subsection (a) of section 22a-266 of the  
 658 general statutes is repealed and the following is substituted in lieu  
 659 thereof (*Effective from passage*):

660 (19) Act as an electric supplier, [or] an electric aggregator or an

661 electric broker pursuant to public act 98-28 provided any net revenue  
662 to the authority from activities, contracts, products or processes  
663 undertaken pursuant to this subdivision, after payment of principal  
664 and interest on bonds and repayment of any loans or notes of the  
665 authority, shall be distributed so as to reduce the costs of other  
666 authority services to the users thereof on a pro rata basis proportionate  
667 to costs paid by such users. In acting as an electric supplier, [or an]  
668 electric aggregator or electric broker pursuant to any license granted  
669 by the Department of Public Utility Control, the authority may enter  
670 into contracts for the purchase and sale of electricity and electric  
671 generation services, provided such contracts are solely for the  
672 purposes of ensuring the provision of safe and reliable electric service  
673 and protecting the position of the authority with respect to capacity  
674 and price.

675 Sec. 10. Subsection (c) of section 7-148ee of the general statutes is  
676 repealed and the following is substituted in lieu thereof (*Effective from*  
677 *passage*):

678 (c) No corporation established pursuant to subsection (a) of this  
679 section shall engage in the manufacture, distribution, purchase or sale,  
680 or any combination thereof, of electricity, gas or water outside the  
681 service area of such municipal electric or gas utility or within its  
682 service area if it encroaches upon the service area or franchise area of  
683 another water or gas utility. Nothing in this section shall be construed  
684 to permit any municipal electric utility to engage in the sale, [or]  
685 aggregation or brokering of electric generation services other than  
686 pursuant to section 16-245, as amended by this act.

687 Sec. 11. Subsection (b) of section 33-219 of the general statutes is  
688 repealed and the following is substituted in lieu thereof (*Effective from*  
689 *passage*):

690 (b) Notwithstanding the provisions of subsection (a) of this section,  
691 cooperative, nonprofit, membership corporations may be organized  
692 under this chapter for the purpose of generating electric energy by

693 means of cogeneration technology, renewable energy resources or both  
694 and supplying it to any member or supplying it to, purchasing it from  
695 or exchanging it with a public service company, electric supplier, [as  
696 defined in section 16-1,] municipal aggregator, [as defined in said  
697 section] electric broker, municipal utility or municipal electric energy  
698 cooperative, all as defined in section 16-1, as amended by this act, in  
699 accordance with an agreement with the company, electric supplier,  
700 electric aggregator, electric broker, municipal utility or cooperative. No  
701 membership corporation under this subsection may exercise those  
702 powers contained in subsection (i) or (j) of section 33-221 unless the  
703 prior approval of the Department of Public Utility Control is obtained,  
704 after opportunity for hearing in accordance with title 16 and chapter  
705 54. Any cooperative organized on or after July 1, 1998, pursuant to this  
706 subsection shall collect from its members the competitive transition  
707 assessment levied pursuant to section 16-245g and the systems benefits  
708 charge levied pursuant to section 16-245l in such manner and at such  
709 rate as the Department of Public Utility Control prescribes, provided  
710 the department shall order the collection of said assessment and said  
711 charge in a manner and rate equal to that to which the members of the  
712 cooperative would have been subject had the cooperative not been  
713 organized.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	16-244c
Sec. 2	<i>July 1, 2010</i>	16a-47a(b)
Sec. 3	<i>from passage</i>	16-1(a)(30)
Sec. 4	<i>from passage</i>	16-1(a)(31)
Sec. 5	<i>from passage</i>	16-1(a)
Sec. 6	<i>from passage</i>	16-245(l)
Sec. 7	<i>from passage</i>	16-245b
Sec. 8	<i>from passage</i>	16-245p(b)
Sec. 9	<i>from passage</i>	22a-266(a)(19)
Sec. 10	<i>from passage</i>	7-148ee(c)
Sec. 11	<i>from passage</i>	33-219(b)

***Statement of Purpose:***

To eliminate the requirement that electric distribution companies maintain a referral service or offer to send bills for competitive electric suppliers and to amend definitions and statutes related to electric suppliers, aggregators and brokers.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*